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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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4 BEFORE THE BOARD OF PATENT APPEALS
5 AND INTERFERENCES
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8 *Ex parte* JOSEPH C. KAWAN, RAMIRO MUNOZ, and MARK KOGEN
9

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11 Appeal 2008-1714
12 Application 09/276,823
13 Technology Center 1700
14

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16 Decided: August 18, 2008
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19 Before LINDA E. HORNER, ANTON W. FETTING, and
20 JOSEPH A. FISCHETTI, *Administrative Patent Judges*.
21 FETTING, *Administrative Patent Judge*.

22 DECISION ON APPEAL

23 STATEMENT OF CASE

24 Joseph C. Kawan, Ramiro Munoz, and Mark Kogen (Appellants) seek review
25 under 35 U.S.C. § 134 of a final rejection of claims 1 and 3-48, the only claims
26 pending in the application on appeal.

27 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

We AFFIRM.

The Appellants invented a way of transferring value using compatible, electronic value-storing applications (Specification 1:10-12).

An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced below [bracketed matter and some paragraphing added].

1. A system for performing a financial transaction, comprising:
 - [1] a first electronic application
for storing application-specific value on a transaction card;
 - [2] a second electronic application
for storing general value on the transaction card; and
 - [3] a transaction application
associated with at least said first electronic application for performing a value exchange,
wherein said application-specific value and said general value are each exchangeable between each other in said transaction application; and
 - [4] wherein said application-specific value and said general value are each compatible within said system for performing said financial transaction.

This appeal arises from the Examiner's final Rejection, mailed May 31, 2006. The Appellants filed an Appeal Brief in support of the appeal on July 2, 2007. An Examiner's Answer to the Appeal Brief was mailed on August 14, 2007.

PRIOR ART

The Examiner relies upon the following prior art:

Derksen	US 5,478,993	Dec. 26, 1995
Carlisle	US 5,649,118	Jul. 15, 1997
Gungl	US 5,912,453	Jun. 15, 1999
Taskett	US 5,991,748	Nov. 23, 1999

Donal O'Mahony, Michael Peirce, and Hitesh Tewari, Electronic Payment Systems, 1997, ISBN 0-89006-925-5, pp. 208-12 (O'Mahony)

REJECTIONS

Claims 1 and 3-48¹ stand rejected under 35 U.S.C. § 112, first paragraph, as not enabling a person of ordinary skill in the art to make and use the claimed subject matter from the original disclosure².

Claims 1 and 3-48³ stand rejected under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention.

Claims 1, 3-35, 37-42, and 44-48 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Carlisle, Derksen, Gungl, and O'Mahony.

Claims 36 and 43 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Carlisle, Derksen, Gungl, O'Mahony, and Taskett.

¹ The Examiner indicates that claims 1-48 are rejected (Answer 4), but claim 2 was cancelled in an amendment dated September 14, 2001.

² The Examiner referred to this rejection as being based on lacking written description, but as we show in the Analysis section, the rejection is actually based on lack of enablement.

³ The Examiner indicates that claims 1-48 are rejected (Answer 5), but claim 2 was cancelled in an amendment dated September 14, 2001.

ISSUES

The issues pertinent to this appeal are:

- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 1 and 3-48 under 35 U.S.C. § 112, first paragraph, as not enabling a person of ordinary skill in the art to make and use the claimed subject matter from the original disclosure.
- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 1 and 3-48 under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention.
- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 1, 3-35, 37-42, and 44-48 under 35 U.S.C. § 103(a) as unpatentable over Carlisle, Derksen, Gungl, and O'Mahony.
- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 36 and 43 under 35 U.S.C. § 103(a) as unpatentable over Carlisle, Derksen, Gungl, O'Mahony, and Taskett.

The pertinent issues turn on whether it was predictable to have both general and application-specific values that were exchangeable on a single card for financial transactions.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to Claim Construction

1 01. The disclosure defines a general value as a value that is generally
2 equivalent to cash in that the general value is readily accepted in a
3 plurality of financial transactions (Specification 7:19-20).

4 02. The disclosure defines an application-specific value as a value that has
5 limited acceptance, typically only for transactions associated with a
6 specific application loaded onto the smart card (Specification 7:21-23).

7 *Carlisle*

8 03. Carlisle is directed to a way for a single set of consumer items to be
9 purchased by debiting any of multiple accounts stored on a smart card
10 (Carlisle 1:65-67).

11 04. Carlisle retains pricing information for items being sold in an item
12 table. The item table may optionally associate each item with a payment
13 type account (Carlisle 2:13-18).

14 05. Carlisle's smart cards store data files that each associates an account
15 identifier for uniquely specifying a given account with an account
16 balance and at least one item table identifier. Carlisle's smart cards may
17 use accounts provided by Visa, MasterCard, Discover, ATM networks,
18 food stamp programs, other types of welfare programs, unemployment
19 compensation, or the like (Carlisle 2:21-30). VISA, MasterCard, and
20 Discover are known to provide funds that are generally equivalent to
21 cash. Food stamp and other welfare programs are known to have some
22 restrictions on what may be purchased.

23 06. Carlisle's smart cards contain multiple accounts that may be debited
24 for purchases (Carlisle 3:54-61).

1 07. Carlisle allows a service provider, such as a bank, to install an
2 "electronic purse" on the smart card that will hold a value exchanged for
3 goods or services provided by a merchant. This value is in a file, termed
4 the electronic purse file, which is owned by the service provider. A
5 command grants temporary permission to deduct a sum from the value
6 found in the file (providing it does not create a negative result) (Carlisle
7 13:12-26).

8 *Derksen*

9 08. Derksen is directed to a cashless payment instrument that can be
10 regarded in a first approximation as a purse which has at least two
11 separate money compartments, in which the first compartment contains a
12 large amount at risk, and the second compartment contains a small
13 amount at risk (Derksen 1:62 – 2:2).

14 09. Derksen is applied to purchases of services such as tickets for use of a
15 train, bus or aircraft, etc., admission tickets for museums, theater
16 performances, etc., as well as dispensing of cash. Derksen is also
17 applied to purchases of goods selected in a business, and goods
18 dispensed directly by a vending machine, for example, candy, beverages,
19 newspapers, food, and all types of movable products which do not
20 exceed certain dimensions dictated by the vending machine (Derksen
21 1:11-22).

22 10. Derksen describes recharging the values on its card, that is
23 transferring additional amounts into the values on its card (Derksen
24 2:43-46).

25 *Taskett*

1 11. Taskett is directed to regenerating a prepaid telephone card. By
2 "regenerating" Taskett means that funds are transferred or otherwise
3 added to a prepaid account (Taskett 2:6-9).

4 12. Taskett's card may be used independently of the phone card to
5 purchase other goods or services (Taskett 2:30-32).

6 13. In Taskett, a consumer is notified during a phone connection to a
7 called party when the account balance of the phone card depletes to a
8 predetermined amount. At such time, the consumer recharges the phone
9 card (Taskett 2:39-43).

10 14. Taskett describes transferring a predetermined amount to the phone
11 card when funds are needed (Taskett 4:59-60).

12 *O'Mahony*

13 15. O'Mahony is directed to electronic payment systems (O'Mahony:
14 Title).

15 16. O'Mahony describes subscrips, a simple micropayment protocol using
16 prepaid accounts for users at vendors. The user makes purchases from
17 subscrip accounts and is funded from larger macropayment schemes
18 (O'Mahony 208:¶ 7.2).

19 17. Subscrip allows funds to be exchanged back to a macropayment
20 account (O'Mahony 212:¶ 7.2.8).

21 *Gungl*

22 18. Gungl is directed to multiple application programs placed on one chip
23 card without compromising security by the de-coupling and the
24 separation of the individual programs from one another (Gungl 3:24-27).

1 19. Gungl describes applying its card to financial applications with
2 multiple amounts on a single card (Gungl 1:56 – 2:56).

3 20. Gungl describes allowing a simple and secure juxtaposition of several
4 applications without these being able to influence each other, or without
5 their being able to gain unauthorized access to each other (Gungl 3:45-
6 49).

7 *Facts Related To The Level Of Skill In The Art*

8 21. Neither the Examiner nor the Appellants has addressed the level of
9 ordinary skill in the pertinent arts of systems analysis and programming,
10 financial transaction systems, ecommerce systems, smart card electronic
11 protocol design, or financial network design. We will therefore consider
12 the cited prior art as representative of the level of ordinary skill in these
13 arts. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001)
14 (“[T]he absence of specific findings on the level of skill in the art does
15 not give rise to reversible error ‘where the prior art itself reflects an
16 appropriate level and a need for testimony is not shown’”) (quoting
17 *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163
18 (Fed. Cir. 1985).

19 *Facts Related To Secondary Considerations*

20 22. There is no evidence on record of secondary considerations of non-
21 obviousness for our consideration.

22 PRINCIPLES OF LAW

23 *Claim Construction*

1 During examination of a patent application, pending claims are given
2 their broadest reasonable construction consistent with the specification. *In*
3 *re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969); *In re Am. Acad. of Sci.*
4 *Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

5 Limitations appearing in the specification but not recited in the claim are not
6 read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed.
7 Cir. 2003) (claims must be interpreted “in view of the specification” without
8 importing limitations from the specification into the claims unnecessarily).

9 Although a patent applicant is entitled to be his or her own lexicographer of
10 patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*,
11 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such
12 definitions in the Specification with sufficient clarity to provide a person of
13 ordinary skill in the art with clear and precise notice of the meaning that is to be
14 construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although
15 an inventor is free to define the specific terms used to describe the invention, this
16 must be done with reasonable clarity, deliberateness, and precision; where an
17 inventor chooses to give terms uncommon meanings, the inventor must set out any
18 uncommon definition in some manner within the patent disclosure so as to give
19 one of ordinary skill in the art notice of the change).

20 *Enablement*

21 “[T]o be enabling, the specification of a patent must teach those skilled in the art
22 how to make and use the full scope of the claimed invention without ‘undue
23 experimentation.’” *In re Wright*, 999 F.2d 1557, 1561, 27 USPQ2d 1510, 1513
24 (Fed. Cir. 1993). Some experimentation, even a considerable amount, is not
25 “undue” if, e.g., it is merely routine, or if the specification provides a reasonable

1 amount of guidance as to the direction in which the experimentation should
2 proceed. *In re Wands*, 858 F.2d 731, 737, 8 USPQ2d 1400, 1404 (Fed. Cir. 1988).

3 Factors to consider include “(1) the quantity of experimentation necessary, (2) the
4 amount of direction or guidance presented, (3) the presence or absence of working
5 examples, (4) the nature of the invention, (5) the state of the prior art, (6) the
6 relative skill of those in the art, (7) the predictability or unpredictability of the art,
7 and (8) the breadth of the claims.” *In re Wands*, 858 F.2d 731, 737, 8 USPQ2d
8 1400, 1404 (Fed. Cir. 1988).

9 *Indefiniteness*

10 Under 35 U.S.C. § 112, ¶ 2, the claims of a patent must “particularly point[]
11 out and distinctly claim[] the subject matter which the applicant regards as his
12 invention.” “A claim is considered indefinite if it does not reasonably apprise
13 those skilled in the art of its scope.” *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*,
14 430 F.3d 1377, 1383–84 (Fed. Cir. 2005). “Because a claim is presumed valid, a
15 claim is indefinite only if the ‘claim is insolubly ambiguous, and no narrowing
16 construction can properly be adopted.’” *Honeywell Int’l, Inc. v. Int’l Trade*
17 *Comm’n*, 341 F.3d 1332, 1338–39 (Fed. Cir. 2003) (quoting *Exxon Research &*
18 *Eng’g Co. v. United States*, 265 F.3d 1371, 1375 (Fed. Cir. 2001)).

19 *Obviousness*

20
21 A claimed invention is unpatentable if the differences between it and the
22 prior art are “such that the subject matter as a whole would have been obvious at
23 the time the invention was made to a person having ordinary skill in the art.” 35
24 U.S.C. § 103(a) (2000); *KSR Int’l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1729-30
25 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

1 In *Graham*, the Court held that that the obviousness analysis is bottomed on
2 several basic factual inquiries: “[(1)] the scope and content of the prior art are to be
3 determined; [(2)] differences between the prior art and the claims at issue are to be
4 ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved.” 383
5 U.S. at 17. See also *KSR Int’l v. Teleflex Inc.*, 127 S.Ct. at 1734. “The
6 combination of familiar elements according to known methods is likely to be
7 obvious when it does no more than yield predictable results.” *KSR*, at 1739.

8 “When a work is available in one field of endeavor, design incentives and
9 other market forces can prompt variations of it, either in the same field or a
10 different one. If a person of ordinary skill can implement a predictable variation,
11 § 103 likely bars its patentability.” *Id.* at 1740.

12 “For the same reason, if a technique has been used to improve one device,
13 and a person of ordinary skill in the art would recognize that it would improve
14 similar devices in the same way, using the technique is obvious unless its actual
15 application is beyond his or her skill.” *Id.*

16 “Under the correct analysis, any need or problem known in the field of
17 endeavor at the time of invention and addressed by the patent can provide a reason
18 for combining the elements in the manner claimed.” *Id.* at 1742.

19 *Automation of a Known Process*

20 It is generally obvious to automate a known manual procedure or mechanical
21 device. Our reviewing court stated in *Leapfrog Enterprises Inc. v. Fisher-Price*
22 *Inc.*, 485 F.3d 1157 (Fed. Cir. 2007) that one of ordinary skill in the art would have
23 found it obvious to combine an old electromechanical device with electronic
24 circuitry “to update it using modern electronic components in order to gain the
25 commonly understood benefits of such adaptation, such as decreased size,

1 increased reliability, simplified operation, and reduced cost. . . . The combination
2 is thus the adaptation of an old idea or invention . . . using newer technology that is
3 commonly available and understood in the art.” *Id.* at 1163.

4
5 *Obviousness and Nonfunctional Descriptive Material*

6
7 Nonfunctional descriptive material cannot render nonobvious an invention that
8 would have otherwise been obvious. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir.
9 2004). *Cf. In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive
10 material is not functionally related to the substrate, the descriptive material will not
11 distinguish the invention from the prior art in terms of patentability).

12 ANALYSIS

13 *Claims 1 and 3-48 rejected under 35 U.S.C. § 112, first paragraph, as not enabling*
14 *a person of ordinary skill in the art to make and use the claimed subject matter*
15 *from the original disclosure.*

16 The Examiner stated that this rejection is based on lack of written description.
17 The Examiner found that

18 [a] lack of written description appears to be present because there is
19 further recited in the independent claims an exchangeability and
20 compatibility which would not allow one with ordinary skill in the art
21 at the time the application was filed to distinguish one type of value
22 over the other, and therefore be able to practice the invention as
23 claimed.

24 Answer 4. The Examiner further found that

25 there is further recited in the independent claims an exchangeability
26 and compatibility which would not allow one with ordinary skill in
27 the art at the time the application was filed to distinguish one type of
28 value over the other, and therefore be able to practice the invention as

1 claimed. The description on page 7, lines 19-29 of appellant's
2 specification does not make clear to one with ordinary skill in the art
3 in clear, concise and exact terms what is a general value and a specific
4 to enable any person skilled in the art to which it pertains, or with
5 which it is most nearly connected, to make and use the invention.

6 Answer 12. In both instances, the Examiner's findings are that one of ordinary
7 skill would not know how to distinguish the values required by the claims so as to
8 be able to make and use the invention. The Examiner's findings are those of a lack
9 of enablement rather than a lack of written description. Accordingly, we take the
10 Examiner to have meant to refer to this rejection as being based on lack of
11 enablement based on the Examiner's reasoning.

12 The first paragraph of 35 U.S.C. § 112 requires nothing more than objective
13 enablement. *In re Marzocchi*, 439 F.2d 220, 223 (CCPA 1971). The Examiner
14 found that the independent claims recited both an "application-specific value" and
15 a "general value" stored on separate "electronic applications." The Examiner
16 further found there is further recited in the independent claims an exchangeability
17 and compatibility. The Examiner found that one of ordinary skill in the art at the
18 time the application was filed would have been unable to distinguish one type of
19 value over the other, and therefore concluded the claim was not enabled (Answer
20 4).

21 The Appellants contend that at least Specification 17:24 – 18:12 provides an
22 example of distinguishing such values (Br. 9-11). Essentially this portion of the
23 Specification describes distinguishing the type of values by the selection of an
24 application. Since each application controls one of the types of values, one of
25 ordinary skill is thus able to distinguish the values.

26 The Examiner has provided no analysis showing that those skilled in the art
27 would not be able to make and use the full scope of the claimed invention without

1 undue experimentation given the Specification and what was known to those of
2 skill in the art. Nor has the Examiner given a reason to doubt the objective truth of
3 the statements made in the Specification.

4 The Appellants have sustained their burden of showing that the Examiner erred
5 in rejecting claims 1 and 3-48 under 35 U.S.C. § 112, first paragraph, as not
6 enabling a person of ordinary skill in the art to make and use the claimed subject
7 matter from the original disclosure.

8 *Claims 1 and 3-48 rejected under 35 U.S.C. § 112, second paragraph, as failing to*
9 *particularly point out and distinctly claim the invention.*

10 The Examiner found that the metes and bounds are not clear for each of the
11 terms "application-specific value" and "general value." The Examiner found that
12 the recitations are vague and indefinite, especially since there is also claimed an
13 exchangeability and compatibility between the two values (Answer 5).

14 The Appellants argue that both terms are clearly described in the Specification
15 (Br. 6). The disclosure defines a general value as a value that is generally
16 equivalent to cash in that the general value is readily accepted in a plurality of
17 financial transactions (FF 01). The disclosure defines an application-specific value
18 as a value that has limited acceptance, typically only for transactions associated
19 with a specific application loaded onto the smart card (FF 02).

20 "A claim is considered indefinite if it does not reasonably apprise those skilled
21 in the art of its scope." *IPXL Holdings, L.L.C. v. Amazon.com, Inc.*, 430 F.3d
22 1377, 1383–84 (Fed. Cir. 2005).

23 We disagree with the Examiner. The claims recite two different values, but
24 provide no clear way to distinguish them. However, that is not the requirement for
25 definiteness. The requirement is that one of ordinary skill would know whether a

1 value would be within the scope of each of the general and application-specific
2 values. If a value falls within the scope of both, that is an indication of breadth
3 rather than indefiniteness.

4 Although the definition of a general value refers to being generally equivalent
5 to cash, this in turn is further defined as being readily accepted in a plurality of
6 financial transactions. So any value accepted in a plurality of financial transactions
7 is a general value. However, the definition refers to the value being only generally,
8 not universally, equivalent to cash and is thus limited to some degree in
9 acceptance.

10 An application-specific value is defined as a value that has limited acceptance.
11 But a general value is also somewhat limited. Although the Specification says an
12 application-specific value is typically only for transactions associated with a
13 specific application loaded onto the smart card, the use of the word “typically”
14 shows that this is exemplary and not definitional. However, the fact that this
15 example uses the plural form of transaction implies that an application-specific
16 value is therefore accepted in a plurality of financial transactions. So the two value
17 terms are so broad that they overlap in that values having the same set of attributes
18 *viz.* limited acceptance but readily accepted in plural transactions can be
19 categorized as either general or application-specific.

20 While this presents a wide degree of breadth to the claims, it does not render
21 the claims indefinite. It simply means that two values having similar
22 characteristics may meet the limitations of both the general and application-
23 specific values.

1 The Appellants have sustained their burden of showing that the Examiner erred
2 in rejecting claims 1 and 3-48 under 35 U.S.C. § 112, second paragraph, as failing
3 to particularly point out and distinctly claim the invention.

4 *Claims 1, 3-35, 37-42, and 44-48 rejected under 35 U.S.C. § 103(a) as*
5 *unpatentable over Carlisle, Derksen, Gungl, and O'Mahony.*

6 The Appellants argue these claims as a group.

7 Accordingly, we select claim 1 as representative of the group.
8 37 C.F.R. § 41.37(c)(1)(vii) (2007).

9 The Examiner found that Carlisle described financial transactions using
10 multiple applications for multiple application-specific values and performing value
11 exchanges of inherently compatible different values (Answer 6-7); Derksen
12 described storing a general value in an electronic application (Answer 8:Bottom ¶);
13 Gungl described how multiple applications may be usable on a single smart card
14 (Answer 9:First ¶); and O'Mahony described exchangeability between application-
15 specific value and general value (Answer 10:Second ¶). The Examiner found one
16 of ordinary skill would have known to combine these references to provide
17 Derksen's general values and application-specific values on Gungl's single card
18 using the exchangeability of O'Mahony (Answer 9-10).

19 The Appellants contend that Carlisle stores only application-specific values
20 (Br. 14:Top ¶); Derksen stores only application-specific values (Br. 14:Bottom ¶ -
21 15:Top ¶); Gungl teaches away from storing both general and application-specific
22 values on a card because Gungl's application programs do not have access to each
23 other (Br. 15:First full ¶); and O'Mahony has nothing to do with storing both
24 general and application-specific values which are exchangeable on a card (Br.
25 16:Second ¶).

1 We disagree with the Appellants. We begin with the Appellants' contention
2 regarding the absence of general values on the cards in the applied references. We
3 found in our analysis under indefiniteness that a distinction between general and
4 application-specific values may be *de minimis* because of the overlap of the scope
5 according to the definitions. As we found *supra*, any value that is used in plural
6 transactions is a general value and any value that has limited acceptance is an
7 application-specific value according to the Specification. Thus, the Appellants'
8 argument that a value is not a general value must be analyzed in light of the
9 overlap of the scope of the two values.

10 Carlisle's smart cards contain multiple accounts that may be debited for
11 purchases (FF06). Carlisle stores accounts for both major credit cards and for food
12 stamp programs on the same card. All of these accounts have account balances,
13 i.e. values, but they also have references to item tables, i.e. they are only available
14 for items in such tables (FF 05). This item table reference is why the Appellants
15 argue the values are application-specific.

16 Because some of those accounts may be VISA or MasterCard, and others may
17 be food stamp or welfare, there is a significant distinction in the number of
18 transactions each such account may be used for. There will be far more items that
19 may be referred to in a VISA item table than a food stamp item table, because
20 VISA is generally equivalent to cash and food stamps are generally restricted to
21 items available within the food stamp program. So this placing of values
22 associated with both VISA and food stamps on a single card at least suggests and
23 makes predictable a practice of placing both general and application-specific
24 values on the same card. But even more to the point, all of the accounts described
25 by Carlisle are of limited acceptance but are readily accepted in plural transactions.

1 As we found *supra*, the values associated with such accounts can be categorized as
2 either general or application-specific.

3 Carlisle also provides one or more accounts referred to as electronic purses on
4 the smart card that will hold a value for exchange with a merchant. This value is in
5 a file, termed the electronic purse file (FF 07). Thus such an electronic purse has
6 even less restriction than a VISA account since it is a debit account and not subject
7 to credit limits. Thus, the electronic purse file is an even stronger example than the
8 VISA accounts of a general value within Carlisle.

9 Derksen has two or more values on the same card that are actual cash balances,
10 much like an electronic purse described by Carlisle (FF 08). The Appellants again
11 contend these are not general but application-specific values because Derksen's
12 card can only be used at certain designated payment sites (Br. 14:First full ¶). As
13 we found in the indefiniteness analysis, any value accepted in a plurality of
14 financial transactions is a general value according to the Specification. Further,
15 Derksen's card is used for a wide variety of goods and services at both manned and
16 unmanned sales sites (FF 09). Therefore, Derksen's electronic purse values are
17 generally equivalent to cash, particularly in the unmanned vending machines.
18 Accordingly, we find that Derksen's values are general values as the Examiner
19 found. Derksen also describes recharging the values on the card (FF 10). Thus,
20 although Derksen does not describe transferring amounts between two values on a
21 single card, it does describe the necessity of transferring value from some account
22 into a value on a card.

23 Gungl describes placing multiple applications on the same card and having
24 such card contain multiple amounts (FF 18 & 19). The Appellants contend that
25 Gungl does not transfer amounts between these values and even teaches away from

1 doing so because of the security surrounding each of the applications on Gungl's
2 card (Br. 15:First full ¶). Gungl is not relied upon for the limitation of transferring
3 amounts between values, but only to show that cards with multiple values, such as
4 those in Carlisle and Derksen, could have a separate application assigned to each
5 of the multiple values. While we agree that Gungl does provide security between
6 each of the applications, this does not teach away from transferring amounts
7 because Gungl describes using this feature in preventing unauthorized access (FF
8 20), which would not discourage authorized access, such as transferring between
9 accounts.

10 O'Mahony describes exchanging amounts between two values in both
11 directions, albeit not on a card (FF 16 & 17). The Appellants argue that O'Mahony
12 has nothing to do with storing both general and application-specific values which
13 are exchangeable on a card (Br. 16:Second ¶). O'Mahony's macropayment
14 scheme is a generic macropayment electronic payments system (FF 15 & 16) and
15 is thus a value that is usable in multiple transactions and generally the same as
16 cash. O'Mahony's subscrips use a simple micropayment protocol and are
17 therefore more limited than a macropayment scheme. Thus the value from
18 O'Mahony's macropayment scheme is a general value and the value from a
19 subscrip is an application-specific value. Although O'Mahony does not describe
20 placing these values on a single card, O'Mahony is not relied on for this, but only
21 to show the practice of exchanging amounts between general and application-
22 specific values for the purpose of recharging and refunding from the application-
23 specific value.

24 Thus, as the Examiner found, all of the claim 1 elements are described by the
25 references, one of ordinary skill would have known to combine these references to
26 provide Derksen's general values and application-specific values on Gungl's

1 single card, and O'Mahony provides a reason to exchange amounts between both
2 values.

3 The Appellants have not sustained their burden of showing that the Examiner
4 erred in rejecting claims 1, 3-35, 37-42, and 44-48 under 35 U.S.C. § 103(a) as
5 unpatentable over Carlisle, Derksen, Gungl, and O'Mahony.

6 *Claims 36 and 43 rejected under 35 U.S.C. § 103(a) as unpatentable over Carlisle,*
7 *Derksen, Gungl, O'Mahony, and Taskett.*

8 Claim 36 further requires exchanging all of the application-specific value;
9 automatically loading new application-specific value; and exchanging at least a
10 portion of the new application-specific value to complete the financial transaction.
11 Claim 43 further requires adding a predetermined amount of application-specific
12 value to the smart card if a sufficient amount of the application-specific value does
13 not exist.

14 The Examiner found that Taskett described or suggested these limitations
15 (Answer 10-12). The Appellants argue that Taskett does not make up for the
16 deficiencies of the other references, and also does not provide exchangeable values
17 in the sense of transferring in and out because Taskett's prepaid card can only
18 receive funds and cannot convert back phone charges into funds (Br. 18:First
19 full ¶).

20 We disagree with the Appellants. The Appellants' argument that Taskett fails
21 to make up for the deficiencies in the parent claims is unpersuasive for the reasons
22 we found *supra*. Similarly, we find that O'Mahony was relied upon to describe
23 exchangeability in both directions rather than Taskett. We find that Taskett
24 describes loading a predetermined amount when needed as required by the
25 limitations added in claims 36 and 43 (FF 11 - 14).

1 The Appellants have not sustained their burden of showing that the Examiner
2 erred in rejecting claims 36 and 43 under 35 U.S.C. § 103(a) as unpatentable over
3 Carlisle, Derksen, Gungl, O'Mahony, and Taskett.

4 CONCLUSIONS OF LAW

5 The Appellants have sustained their burden of showing that the Examiner erred
6 in rejecting claims 1 and 3-48 under 35 U.S.C. § 112, first and second paragraphs,
7 but they have not sustained their burden of showing that the Examiner erred in
8 rejecting claims 1 and 3-48 under 35 U.S.C. § 103(a) as unpatentable over the prior
9 art.

10 On this record, the Appellants are not entitled to a patent containing claims 1
11 and 3-48.

12 DECISION

13 To summarize, our decision is as follows:

- 14 • The rejection of claims 1 and 3-48 under 35 U.S.C. § 112, first paragraph, as
15 not enabling a person of ordinary skill in the art to make and use the claimed
16 subject matter from the original disclosure is not sustained.
- 17 • The rejection of claims 1 and 3-48 under 35 U.S.C. § 112, second paragraph,
18 as failing to particularly point out and distinctly claim the invention is not
19 sustained.
- 20 • The rejection of claims 1, 3-35, 37-42, and 44-48 under 35 U.S.C. § 103(a)
21 as unpatentable over Carlisle, Derksen, Gungl, and O'Mahony is sustained.
- 22 • The rejection of claims 36 and 43 under 35 U.S.C. § 103(a) as unpatentable
23 over Carlisle, Derksen, Gungl, O'Mahony, and Taskett is sustained.

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No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

JRG

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